

DRAFT FOR STAKEHOLDER INPUT

Mental Health Services Act (MHSA)
Community Services and Supports
Principles Regarding Distribution of Funds

March 15, 2005

Planning Estimates

For the initial three-year implementation period, i.e., Fiscal Year (FY) 2005-06 through FY 2007-08, a planning estimate for Community Services and Supports will be provided to ensure that funding is reserved for each county and the City of Berkeley. Counties will have to provide plans that 1) are consistent with the vision and requirements of the MHSA, 2) demonstrate capacity to deliver the proposed services and outcomes and 3) meet state requirements to be eligible for these funds. These funds will be distributed on a quarterly basis after plan approval. Specific county planning estimates will be provided by May 1, 2005.

Initially, the planning estimates will be based on the current estimated state budget amounts of MHSA funding. In future years, the available funds will be updated based on actual tax collection data.

The planning estimates will be developed using the most current and accurate information from statewide or national databases and the following factors that will be weighted. Performance will be a component of future distribution methodologies.

1. The overall population of each county
2. The need for mental health services in each county based on:
 - Prevalence of mental illness among different age groups and ethnic populations in each county
 - Degree of poverty in each county
 - Incidence of uninsured persons in each county
 - The available resources provided either by or through the Department of Mental Health to each county in FY 2003-04, including realignment funding, State General Fund managed care allocations, other State General Fund Community Services allocations (such as AB 2034 funding), Early and Periodic Screening Diagnosis and Treatment (EPSDT) State General Funds, federal SAMHSA block grants, federal PATH grants and any other resources provided by or through the Department. (Medi-Cal federal financial participation will be excluded.)
3. Minimum funding level for small counties.

A prorated amount of the planning estimate will be provided based on the date of plan approval.

Set-Aside Funding

Some of the Community Services and Supports funding will be set aside potentially to be used for the following:

- 1) Expansion of enrollment and/or services in counties where there is demonstrated capacity to expand and achieve outcomes.
- 2) Contingency reserve in the event that actual tax receipts are less than the amounts projected in the MHSA.
- 3) Statewide or regional strategies to meet the needs of low incidence populations with multiple disabilities.
- 4) Other critical needs consistent with the requirements of these sections of the MHSA.

Pre-implementation Funding

Upon submission of the Program and Expenditure Plan for Community Services and Supports, a county may request funding up to the amount of MHSA funding provided for Community Program Planning (refer to [DMH Letter 05-01](#) for amounts per county) to continue planning and pre-implementation activities. The source of the pre-implementation funding will be from each county's Community Services and Supports planning estimate.

Funding Limitations

- Except for the pre-implementation funding, funds will not be available to a county until there is a plan approved by the State. The state's plan review process is expected to take 3 to 4 months to complete.
- Funding for MHSA services provided prior to state approval of the plans will not be allowable.
- As specified in the MHSA, funding may only be used to expand mental health services.
- Although Community Services and Supports should not be limited to Medi-Cal eligible services, MHSA funds may be used as matching funding for Medi-Cal provided all other Medi-Cal requirements are met.
- Funding may only be used for expenditures consistent with the county MHSA Program and Expenditure Plan as approved by the State.
- MHSA expenditures will be reported and tracked through the cost report process and subject to state audit.